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COMMISSIONER OF ADMINISTRATION

State of Louisiana
Division of Administration
Office of State Uniform Payroll

July 19, 2011

OFFICE OF STATE UNIFORM PAYROLL MEMORANDUM #2012-01

TO: All LaGov HCM Agencies

FROM: Andrea P. Hubbard
Director

SUBJECT: Statewide Vendor Product Enhancement Approvals

The Office of State Uniform Payroll (OSUP) is responsible for the administration of the rules governing state employee payroll deductions. Products that are authorized through OSUP are for all state employees and all state agencies of the executive branch of state government as defined under R.S. 36:4. An **exception** to this is higher education facilities overseen by a Governing Board. The Governing Board has the authority to approve additional products or remove any product per the boards' established policies.

Per the payroll deduction rule, enhancements to policies occur when a vendor broadens an existing, solicited policy's benefits/coverage. The existing solicited policy will be replaced by the enhanced policy and will no longer be solicited. **Current policyholders may choose to keep the existing policy or convert to the enhanced policy**; however, new policyholders must purchase the enhanced policy.

The following enhancements have been approved for the May 1, 2011 deadline to be effective August 1, 2011:

1. Starmount Life, **flex eligible** Dental policy

| Existing Policy | Enhanced Policy |
|--------------------------|------------------------|
| DN-2005CT-LA (Indemnity) | DN-2007-LA (Indemnity) |

2. Consec Health's request to add rider options to the soliciting Cancer-C/V policy (CHIC-5022-LA) was accepted to be implemented August 2011. No agency action is necessary.

There will be no changes to the product descriptions or wage types in eEnrollment/LaGov HCM as these are enhancements to specific policies under the existing product.

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Vendors will advise employees of the enhanced policies by letter and/or during consultations. Agencies should refer employees to OSUP's "For State Employees", Statewide Vendor webpage at the following web address: http://www.doa.louisiana.gov/OSUP/statewide_vendor_product_listing.htm to obtain vendor contact information for applicable vendors. Employees may contact the vendor directly for any questions they may have in reference to the enhancement.

There is no specific agency action necessary for the enhancement to the non-flex policy enhancements. The **flex eligible** policy enhancement procedures will depend on the flex status of the employee.

Current Policyholders Enrolled in July 2011 - December 2011 (2011 OGB short plan year) Flex Plan choosing to convert:

- 1) In order to have any premium change sheltered, employees have 60 days from August 1, 2011 effective date to convert to the enhanced policy by signing the State Employee Payroll Deduction Authorization form (SED-4). After the 60 days, an employee can still convert to the enhanced policy, but premiums cannot be sheltered under flex until the next plan year.
- 2) Employees must complete a Request for Change in Flex Plan Election document (form has been provided to the applicable vendor(s)) if they convert to the enhanced policy and wish to continue to have the premiums sheltered under flex. Employees should select "Significant increase/decrease in cost or coverage" for the Qualifying Event.
- 3) Employees must send **both** of the above documents to the vendor by September 19, 2011.
- 4) The vendor will forward the signed copy of the SED-4 form and Request for Change in Flex Plan Election document to the agency payroll offices by **September 23, 2011** to be entered.

Current Policyholders Not Enrolled in July 2011 - December 2011 (2011 OGB short plan year) Flex Plan choosing to convert:

- 1) Can pick up the enhanced policy any time during the plan year.
- 2) Do not need to complete a Request for Change in Flex Plan Election document.
- 3) Vendors will forward the SED-4's to the agency payroll offices as received.

If you have any questions, please contact Jodi Bullock at (225) 342-5345.

APH:JAB/mfr

c: Ray Harrison, OGB